

Minutes of a Public Information Meeting regarding the Farmland Preservation Proposal and Study as conducted by the Riverhead Town Board, held in the Town Hall, Riverhead, New York, on Tuesday, March 23, 1987 at 7:30 p.m.

Present: Joseph F. Janoski, Supervisor
John Lombardi, Councilman
Victor Prusinowski, Councilman
Louis Boschetti, Councilman
Robert Pike, Councilman

Also Present: Richard Ehlers, Town Attorney

Miles Fairley, Planning Board
Barbara Blass, Planning Board
Jane Stromski, Planning Board Clerk

Absent: Robert Hodge, Planning Board

Also Present: Robert Scheiner, H2M Representative
Andy Freeling, H2M Representative

Also Present: Richard Hanley, Community Develop. Director

Supervisor Janoski called the meeting to order at 7:30 p.m. and the Pledge of Allegiance was recited.

Supervisor Janoski, "Welcome to this public information meeting on the farmland preservation proposals which were prepared at the request of the Town Board. In January of 1986, I formed an agriculture committee which is composed of Vic Prusinowski as Chairman and Rob Pike as a member. And through the efforts of that committee and our consulting, this work has been done. The purpose of this meeting is to give you, the public, an opportunity to take part in a presentation as to what is contained in the proposals and to ask questions as to those parts of it which may not be clear, to amplify or to straighten out some of the areas that are contained therein. This meeting is being sponsored by the Town Board and the members of the Riverhead Town Planning Board who are present and seated to the table at my right. I would once again, state that this is an opportunity for you to ask questions of the consultants after their presentation is made, to clear up anything that you might not understand. This is not a public hearing in which you would express your opinion for or against the proposals. This is an information meeting in which you have the opportunity to find out what is contained in the proposals. So that in future, when we do have public hearings, that you will be well informed on the proposals and be able to express your opinions for or against based on the information that you have received through this and other methods of communicating to the public what is contained in the document. I would recognize Mr. Prusinowski, Chairman of the agriculture committee for the purpose of introducing H2M."

PERSONAL APPEARANCES Continued

Councilman Prusinowski, "First of all, I'd like to thank H2M and the Long Island Farm Bureau for allowing us to meet with them on several occasions. I think we met with other interested groups of the farming community in an effort to compile this report. I would just like to preface my remarks by saying that this is an idea that we presented to the Town Board, supported by a resolution of the Town Board to authorize the funding for the study to give us some options for planning for the future of the Town of Riverhead. We want you to understand the report, ask questions, the content of the report. Then you can formulate your opinions if you need more data, if you need copies of the report or certain parts of the report. If you'd like to have copies made up, we'll make them available to you. So that when we have the public hearing in which you can express your opinion at that time, you can be fully aware and fully briefed as to the content of the report. Some of the proposals in here are a little bit tough to understand and that's why we're going to be here tonight. So by saying that, I'd like to say that I'd like to introduce Bob Scheiner who has worked very hard on this report with his staff from H2M who will now give us a presentation of the proposal. Thank you."

Robert Scheiner, H2M, "Thank you. Also here tonight from our firm H2M is; Andy Freeling from our office and will also answer any questions that you might have. I'll try to make my presentation brief so it will give you time to ask any questions. Generally speaking, the goals and objectives of the report were to preserve open space and the agricultural ambiance of the Town of Riverhead, preserve the quality of town and preserve groundwater. The hope is to preserve the open space and also, as I said, the rural character of the Town of Riverhead. We made several recommendations and I'll go through them in a listing first and then I'll point them out on the map. The first was the creation of a hamlet development district which is more familiarly known as business CR zoning or Country Rural Business. We've recommended the creation of a farm village zone which is a one-acre zone. The creation of a farmland neighborhood zone which is a two-acre zone. The recommendation of mandatory clustering in all residential areas. The creation of an agricultural preservation zone, in other words, known as the APZ which would have a density of ten acres. The creation of the resort development district which is a two-acre zone. The recommendation of the adoption of the transfer of development rights program with designated sending areas and designation receiving areas. The receiving areas would be permitted to be developed at a maximum rate of four units to the acre as long as they met all Suffolk County Health Department requirements. We've also made various recommendations on the southwest sector of the town with the creation of a residential open space district which calls for a two to four-acre density. A federal institutional zone. A recreational open-space zone. We make references in the report, to affordable housing. Now, I would take you through the map and exactly the densities that are associated with each area. The yellow areas are considered the farm neighborhood zone which is zoned two acres, suggested to be zoned two acres. The red areas are the hamlet development districts or designating specific hamlets within the Town of Riverhead. That would be one-acre zone.

ROBERT SCHEINER, Continued

The next is the orange area which is the farm village zone at one acre. Residential open space are the areas designated by the olive color is recommended at two to four acre. Excuse me. Two acre. Recreational open space which is the light green is currently areas that are already in parkland. The purple area located on the map are suggested to be zones or kept as zoned industrial A zoning. The light blue area surrounding Grumman Aviation is a recommendation of a federal institutional zone which would permit the federal government, Grumman Aviation or any associated government activity to permit them to expand their facility but it takes the land out of industrial zone that is currently there and establishes a federal zone. The orange area are the agricultural preservation zone areas. Now, their boundaries go beyond the oranges areas. They encompass also the dark brown areas as well which are areas currently which the Suffolk County development rights bought. The orange areas are in fact, the sending areas where in a developments rights program, the rights would be sent from there to the light brown area which is designated as the receiving area. In other words, known as, the resort development district also a two-acre zone. That would be the area where units would be sent to. The development potential would be sent to. The transfer of development, the idea that development that would happen here, here, and here would be permitted and encouraged to be sent to the light brown area. The dark green are areas that are currently owned by the County of Suffolk, Suffolk County parkland in addition to some of the light green area. We established the sending areas or the brown and light orange areas based on an examination of Suffolk County soils map and the United States G.S. soils map survey which indicated quality of soil of farmland. You can see the map over there. All the orange and blue areas are very high quality soils. And as you can see, the Town of Riverhead is lucky in effect, has a substantial amount of its property located in a top quality agricultural soils. But if you examine it further, there are three areas that are more prevalent, that have high quality soils more prevalent than others and they are really in the three sending areas or the APZ. The transfer of development rights program, the way it's proposed to work, is if a farmer has a 100-acre farm (for example) in the APZ area, the agricultural preservation zone area, he or she could send 80% of the yield on that property which is what he or she would currently get or in this case, 80 units, could send those 80 units of development. Which is the same density that he or she could develop in place right, could sell those units, that development potential to a developer, farmer, speculator in the receiving areas. There is no question about there is a penalty for that farmer, speculator, developer who owns that 100-acre farm in the APZ. If they developed or tried to develop on site, they would only be permitted to develop that one unit for 10 acres. In the areas of light yellow, most of which are currently agricultural A; that density would go from one to two acres. That's what's being proposed. Also mandatory clustering in the various different zones at different amounts. The idea is to encourage development, prime development areas if the north shore and to discourage residential development in the areas of deep recharge and in areas of top quality farming soils. That is the plan in a nut shell. I mean, it's very complicated and I'm not trying to cut myself short or anything. But that

ROBERT SCHEINER, Continued

is the plan overall. I mean, there are implications both ways. I'm fully aware of that. We've had numerous meetings with the Farm Bureau and individual farmers. And I know the feeling is out there, believe me, I know. I would prefer, at this time, to allow anyone to come up and ask questions on this proposal. Any questions that you may have. It will probably serve everyone better if you have an opportunity to ask questions."

Supervisor Janoski, "I didn't want to interrupt you before, but the microphone comes away from the stand and you can carry it with you and you're a little too close to it. That's all right. I didn't want to interrupt you. The farmer's bill of rights is also something that you may want to briefly describe."

Robert Scheiner, "There are a number of things that we included. I wanted to first, simply state what was being proposed because a lot of people feel that; it may be a report which is voluminous. There's no question about that a lot of time went into it. I wanted to be simple and straight forward about the densities. When we met with the Farm Bureau a number of times, the questions that have come up from farmers who own farmland and have a real stake in this plan, want to know exactly what we're proposing. So I'm saying exactly what's being proposed is an upzoning from one to two acres in a large area, a large area of the farmed area. And in the transfer and sending area, a penalty to develop at 10 acres. So I just wanted to get that clear. Also included in the farmed area, specifically the neighborhood farmed zone in the yellow area; there are increased uses that are being proposed for farm property. That, in our opinion, would permit additional farming activities. Manufacturing of farmed products on farm property that were not permitted before. Also, we have encouraged, we have developed in the proposal a farmer's bill of rights which basically delineates in writing what the farmer's rights are as far as his or her ability to farm. Noise, dust, what have you, placing of chemicals. And that anyone that would be buying a lot in a subdivision adjoining an actively farmed property, would be required by local law to have that filed as a covenant to the deed. So they would have to be notified. This would not be anything like who is there first. This would establish who is there first. There are a number of very very (what we feel) good incentives to the farming industry in the proposal."

Supervisor Janoski, "Thank you Bob. That, as Bob has stated, is an overview of the proposal. And I would invite you to ask whatever questions of whatever may not be clear to you at this time. Simply asking to be recognizing, the microphone in the center of the room has been set up for the questions. Once again, let me say that we are embarking on a very long process which will involve public hearings which may involve further public information meetings, the creation of environmental impact statements, review by the Planning Board with their recommendations and Town Board consideration with public hearings at that time. This is an opportunity to ask questions concerning

SUPERVISOR JANOSKI, Continued

the proposal, anything that is not clear to you. This is not a public hearing in which you express your opinion either for or against. That opportunity will come as we proceed through this very long process. We are quite a ways from implementation of anything that you have heard here this evening. These are ideas. They are proposals. So with that, I would invite anyone who wishes to be recognized to ask questions for clarification, to express that desire at this time. Mr. Lewin."

Ernest Lewin, "I'll probably be a little out of line here. I can see that most of the planners didn't know much about agricultural or the Town Board. I apologize if I offend anyone. I wrote this and I think it's worthwhile to listen to."

Supervisor Janoski, "Mr., Ernie."

Ernest Lewin, "I've got some proposals here that the agricultural marketing...."

Supervisor Janoski, "Ernie, you're putting me on the spot."

Ernest Lewin, "I know. But this, being that you planners did not know anything about agricultural, I think they should be told."

Supervisor Janoski, "If the Board wants to stop you, then the Board will vote. I will just let you read whatever it is that you're going to."

Ernest Lewin, "If not, I'll sit down."

Supervisor Janoski, "No, no. It's just... Once again, it's a public information meeting. You want to suggest changes. Why don't you read it and we'll find out what's there."

Ernest Lewin, "If I offend anybody, I apologize right now."

Supervisor Janoski, "It's nice to get the apology up front."

Ernest Lewin, "I thought, for the betterment of Riverhead Town, this report and the preservation of farmland, whoever signed it or wrote it, should be voted out of office. The reasons, let's get to the reasons. It is not good for Riverhead Town 25 to 50 years from now. Most of us in this room will be gone by then but they will remember what a h--- of a mess we created if this report on the preservation of farmland is approved. Why? We are not going to preserve agriculture as it is now. Most potato farmers' property will be phased out. Sod farming will be gone. It can not be continued on the same land year after year. This land will have to be put into housing or industrial parks. It will not be agricultural land. There will no top soil left. The farmer's bill of rights means nothing. We're just superseded by the D.E.C. and the Department of Health. It doesn't mean a d--- thing. Horse farmers are not the answer. More pollution per acre than one-acre homes except several farms. Most are over grade. Do not hoodwink

ERNEST LEWIN, Continued

the residents of Riverhead Town into thinking we will have vast open space. Yet we will in our lifetime but cluster zoning. There is a bug of them that will haunt Riverhead and the next generation. The reason; take 100 acres clustered on 25 or 50 acres. The rest remains open. Nice, our lifetime but who polices this open space. Who picks up the trash and papers. It probably won't be no problem except 25 or 50 years from now. These 50 people or 100 people that are clustered own the remaining acres. There's a need for housing 25 or 50 years from now. What will permit the open spaces from downzoning? If we stay at one acre, no exceptions, we know what the maximum density is now and we can plan for it. I thought zoning was for the future, not the present. If Riverhead Town owned this open space, it would lead to more corruption in politics. TDR's are another problem leading to corruption and politics. The County owns 3,000 acres in Riverhead Town. That means they own 3,000 TDR's. Those 3,000 acres could be sold or come available TDR's. The 3,000 acres still would remain open. The County would have made a windfall profit. We in Riverhead Town, would be out voted by western Suffolk in a referendum. I think this report on the preservation of farming, if adopted, we will have more density per acre than our present zoning. Some other thoughts on this. If there is a problem, green money, cash on the barrel head, Riverhead Town would go bankrupt to try to preserve open spaces, by trying to buy land. Instead, someone came up with the idea to preserve farmland. By a stroke of the pen, it would deprive farmers and land owners who have been the backbone of Riverhead for generations, to be the good guys and some may give up 50% of their retirement to Riverhead Town. Most farmers have been willing not to capitalize on their investment. Most put more money into land and improvements. They can some day, that they could not make a go of farming, they could retire. Not so under this concept. By a stroke of the pen, if someone took 50% of your retirement away, all h--- would break loose. The same with farmers and land owners. The reason I know this is a public information meeting, I think there's some merit to this for the planners."

Supervisor Janoski, "Ernie, Thank you very much. Ernie, I would like to get back to the public information meeting. And Ernie put me in an unenviable position. And that would be to ask him to sit down a few moments ago. That very important speech that he made is properly given at the public hearing in which you tell us what's wrong, what's right, how you feel about the proposals. This is a meeting for you to find out what is in the proposals. I made my decision to allow Ernie to read his presentation. I will not do it again. If you have questions, if there is something that you don't understand about the proposals, please feel free to ask those questions so that we might clarify those proposals as they are. We will be having public hearings. We must go through this process of holding public hearings. But this is not the time for speeches for your feelings on the proposals pro or con. And I'm not saying that you don't have the right to have those feelings, but this is not the forum. What we are trying to do here tonight is to get out the information as to what is contained in the proposals. And on a subsequent date, you can come to a public hearing and beat the h--- out of it. But this is not the time. Is there anyone who has questions concerning the proposals?"

Walter Zaweski, "I'd just like to ask you a simple question. On this agricultural preservation deal, you said that the TDR could go at 80%. Value of what; the land that's in the agricultural district or of the general entire area? Because once you put us in the district, our price of our land is doomed. So what are our TDR's going to do?"

Robert Scheiner, "Well, the transfer of development rights.."

Walter Zaweski, "I was told to see if 80% of us. 80% of the total valuation of all of the land in Riverhead or this in that orange district?"

Robert Scheiner, "What I was getting at is that currently in agricultural A; you have one-acre zoning. If you subdivide that land, based on a subtraction out of a standard subdivision of roads, drainage, recharge areas, you yield approximately 80% yield off that land even though it's zoned one acre. You don't get one unit per every acre that you have. You get approximately 80% yield out of that property. Which means, if you had a 100-acre piece, you'd get approximately 80 single-family units. What we're saying is that you would still maintain that same amount of development rights potential to sell off that 100-acre farm at 80%."

Walter Zaweski, "What I would like to know, the 80% yield here; where are you picking this 80% off? Because you look at that orange area there, 80% of that ain't going to be worth too much."

Robert Scheiner, "Well, what you're saying is what are the development rights going to be worth. Are they going to be worth a lot less because..."

Walter Zaweski, "Are you going to determine that on the orange area or are you going to take a combination of all this area and then be zoned?"

Robert Scheiner, "A reasonable question. The theory behind transfer of development rights; is that the development potential worth is based on where the unit, that development unit can be transferred to. So actually, the value of that development right is based on the area in the light brown."

Walter Zaweski, "Thank you."

Supervisor Janoski, "Is there anyone else who has a question concerning any of the proposals? Yes sir. Mr. Schmelzer."

George Schmelzer, "I'd like to give you this first. It shows how the I.R.S. considers that when..."

Supervisor Janoski, "Just hand it to the Planning Board, George."

George Schmelzer, "I don't know which the Planning Board is."

Supervisor Janoski, "Right over there."

Supervisor Janoski, "Right over there. And they will transfer it up here to the Town Clerk. George Schmelzer would you..."

George Schmelzer, "I just want you to look at it. I don't have to explain it. Are you going to transfer development rights and then transfer the taxes too?"

Supervisor Janoski, "Are you talking about the property taxes?"

George Schmelzer, "Yes. You don't expect to transfer income taxes because it would income to transfer."

Councilman Pike, "George, the answer to that is basically this, that once you transfer the development rights off of the property onto a receiving site, they will be taxed at that receiving site. Normally the way it will work is somebody will build something using those development rights and he will get increased density. That entire project; both the land and the buildings..."

George Schmelzer, "I don't care where it goes to or what it's taken off of. That's the taxes I'm asking about. Will there be any taxes left?"

Councilman Pike, "Absolutely. Let me just give you a picture of what happens to the taxation of development rights. Because at the moment, most of the farmland in the Town of Riverhead is..."

George Schmelzer, "When you transfer the development rights, are the taxes going to go with it? Yes or no?"

Councilman Pike, "I said yes. If you want a detailed answer..."

George Schmelzer, "All of it? So what is left, there is no taxes left on the farmland, right?"

Councilman Pike, "At the moment they are not being taxed if they are in the..."

George Schmelzer, "Not at the moment. When I say when you transfer development rights, all the taxes go with it? Yes or no?"

Supervisor Janoski, "George, we are not here to argue."

George Schmelzer, "I'm not arguing. Just give me a straight answer. He's a typical liar."

Councilman Pike, "The answer is yes."

George Schmelzer, "They'll all go with it? This is supposedly to save the farmland in the Town? All the Town Board and all these Boards here and committees, how many of them are farmers right now? Maybe you'd raise your hand."

Supervisor Janoski, "That's not a question here."

George Schmelzer, "I don't think you have any more farmers. So you're all hypocrits to me. Let's save the farm but let somebody else do it."

Councilman Prusinowski, "George, excuse me. We're not here trying to... George, hold on. There's two questions here tonight. One is; saving the farmer and one is zoning for the Town of Riverhead. I know the difference and you know that I know the difference. Ok. Now, let me just say one thing and I can point if I want to. I'm sorry. Ok. The thing is that you asked the question and I'm going to give you an answer. Yes and know. The development rights of those taxes aren't scheduled to be transferred to the receiving area. The agricultural value of those taxes will remain on the simple fee title of the property similar to the...."

TAPE ENDED

Councilman Prusinowski, "Those development rights were purchased, those taxes disappear. The only thing we tax now is the agricultural values of those rights that are left which is the simple fee title to the land and it's restricted by the County because of the purchase by the taxpayers of the development rights. What we're trying to do here, the proposal is; is that when farmer A sells his development rights, transfers development rights, to a developer who is going to put it up on the Sound, that value is going to be transferred up there. The farmer is still going to own the property, the simple fee title. He'll pay some type of taxes on the agricultural value. It's not going to be much but it's going to be what the land is worth for agricultural and the other value is going to go up to the land. Because when you increase the density, for example, on the waterfront, you can get higher real estate values for that property. And the Assessor's are to assess that at the full market value and that's really what the plan calls for. Now, I'm not saying that you can agree with it or disagree with it but that's the idea behind the plan. Now, remember the difference between this and the farmland preservation program. The farmland preservation program, the county program; once you purchase the rights, and we just had some contract signing this week, you purchase those rights from the farmer. Those taxes are lost forever because the County gives a check to the farmer and now the Assessors reduce the value of that land because the land can only be used for agricultural."

George Schmelzer, "The County can sell those rights."

Councilman Prusinowski, "No they can't."

George Schmelzer, "It's not a written...."

Councilman Prusinowski, "They can not.... They must have a... John Klein is right out there. I'm on the committee. I know what you have to do. You have to have a two thirds County-wide referendum to get out of that program."

George Schmelzer, "Well, that means they can."

Councilman Prusinowski, "On a two thirds referendum. There is a very severe restricted requirement to get out of the County program. And if I'm wrong, there's a former County Executive out there. But there."

George Schmelzer, "Well, it's possible. It's not all...."

Councilman Prusinowski, "Ok. Well, you asked the question and I'm trying to give you an answer to your question."

George Schmelzer, "Ok. Why not take all the taxes and transfer them then? Then the farmer will stay. Because somewhere where farming is going now, won't even pay the farmer if you got one-fourth of the taxes left. How about transferring all the taxes?"

Supervisor Janoski, "George, do you have any further question?"

George Schmelzer, "No. I just asked it. I can't get an answer."

Councilman Prusinowski, "Well, I just tried to explain it to you."

George Schmelzer, "Would you consider transferring all the taxes?"

Councilman Prusinowski, "Well, I think there's a ruling coming up very shortly. I was at the association of towns where we're going to have a big tax break for the farmers' this year because the state is going to do the thing by 269 dollars an acre by assessed evaluation. But even so, it's not fair because if a developer buys 80% of the value of the property, that 80% is going to be taxed and there is only the agricultural value and the only thing he pays is special district taxes. Which I understand now, the County is getting involved and you'll be exempt from the special district taxes if they pass this local legislation."

George Schmelzer, "But like when the County buys the development rights which is not a restrictive covenant, they can sell to who they choose to. The rest of the taxes, they'll tax it at a loss and divide it up among everybody else including the guy who sold his rights."

Supervisor Janoski, "George, you're making a statement again."

George Schmelzer, "I can't get really a straight answer."

Supervisor Janoski, "The question that you asked was answered. The value of the development rights will be transferred and the property tax will be transferred along with it to the receiving piece of property. The value which is left behind which is the farmland value, will stay right there and it will be paid by that property owner."

George Schmelzer, "What happens if there is no demand for those rights and the farmer is stuck? He can't use his land only for farming."

Supervisor Janoski, "I guess he wouldn't sell them and there would be no transfer."

George Schmelzer, "If he can't use the land himself except for farming, he wants to get out of farming, who owns the rights? He's stuck."

Councilman Prusinowski, "I have an answer to that right now. Ironically, what has happened in the Town of Riverhead is that there is a new market developing for the agricultural rights that have been stripped of the development rights in the County program. We had some recent sales coming in which ironically, is becoming a problem with the appraiser process when I had like five farms go into the program this last six months where the agricultural values of the land were like two and three thousand dollars an acre because of recent sales. You see, you have people coming out from the west and New York City that say hey; I can go to Southampton and plop down 850 thousand dollars for one house near the water or on the Bay or something. But I can come to Riverhead or Southold and buy 100 acres of agricultural property for 600 thousand dollars with a house. Now, in phase I and phase II, or in especially phase I, the primary residence was left into the program. Phase II has been cut out. But still you can get 100 acres for 2 or 3 thousand dollars an acre. What that has done and I saw the actuals come in from the Department of Real Estate, when I had a farmer up on Sound Avenue couldn't understand how is my property or how is the recent sales coming in are worth more money. So there will be a value there for that property down the road, 20 or 30 years. Not 20 or 30 years. As of right now. When this program first started, the agricultural rights property worth 8 or 9 hundred dollars an acre. So the answer to your question is, I think there's going to be a market there."

George Schmelzer, "So you're figuring there's going to be all this hot..."

Councilman Prusinowski, "I'm not saying it's for agricultural. I'm not saying it's for agricultural but I think there will be a market value there for the value of the property"

George Schmelzer, "There's an awful lot of hot money there. Do you think it's going to stay that long?"

Councilman Prusinowski, "I don't know. We've seen it come. We've seen the times here in the early seventies when the market was terrible. We've seen it when it was hot. We've seen the cycles. Who knows."

George Schmelzer, "So maybe this cycle will flip down in a couple of years like it was before. Then you're be wondering why there's not enough houses built in town like there were a couple of years ago. So maybe all this is a lot of nonsense."

Councilman Prusinowski, "Well, we're going to find out. We don't know if that's the answer or not and that's why we're going to have public hearings down the road."

George Schmelzer, "How many times have they hired this outfit, Holzmacher and whatever else it is? About the third or fourth time? I can't remember the name of it. I wish it was Holzmacher, Henderson and O'Neil. Then it would be H2O instead of H2M."

Supervisor Janoski, "George, the Town Board is making an effort here to give out some information. I thank you for attending. Thank you George. Is there anyone else present who wishes to ask question concerning the proposals as they now exist? Yes sir. Arthur."

Arthur Kreitzler, "I'm wondering how that's going to effect the "CR" zoning that you just got done changing."

Supervisor Janoski, "It's not going to effect it at all. It has no implication for the business zones in the town."

Arthur Kreitzler, "And as far as... Have you thought at all about you're moving and you're trying to protect the farmland but have do you ever think of the Sound, the runoff and all that that has to be taken into consideration? You know, to preserve one, you're giving up another."

Supervisor Janoski, "One of the things I mentioned before was that (maybe I did not) we are going to have an environmental impact statement prepared that would address any of the questions as far as the impact that would result from these proposals and that would undoubtedly be part of the process."

Arthur Kreitzler, "Because you know, we're probably in as much trouble as the farmers are right now as far as catching...."

Supervisor Janoski, "The commercial fishing. Thank you, Arthur. Is there anyone else present who wishes to ask questions concerning the proposals? Wally."

Walter Binger, "Good evening. I understand the concept of the transfer of development rights. And we have the northern boundary which is going to accept the rights. We have various spots which are going to be sending rights. My question relates to the two-acre zoning. The two-acre zoning which is portioned all over the map. They do not really get anything out of this do they? I mean, you've lost one acre of residential zoning. So actually, if we're talking about population of the town, we're talking about our schools, our districts, our services, we've only gained a very small percentage with all this cost. Is that correct?"

Councilman Prusinowski, "No. I disagree with that statement."

Robert Scheiner, "Well, I can tell you about ultimate population, what we're talking about."

Walter Binger, "I'm trying to keep it as a question."

Robert Scheiner, "Let me give you the exact numbers. The 1973 Master Plan which the Town currently operates under, called for a projective ultimate population around 140 thousand people. The Community Development Office examined the current zoning which is the '73 Master Plan. They took the current population of the Town of Riverhead which was about 22 thousand people, took the vacant spaces throughout the town that could be developed and attached a number for each acre or half acre that could be developed based on an average family size of... Right exactly. And came up with an ultimate population of the Town of Riverhead under current zoning of 65 thousand people. This plan would reduce the ultimate population by approximately 10 thousand. So the town would yield an ultimate population of approximately 55 thousand people."

Walter Binger, "If the northern bulk of Sound Avenue all becomes summer houses, not just half-acre homesites."

Robert Scheiner, "Yes."

Walter Binger, "How do we say that because it cost 200 thousand dollars to build a house up there, that it's not going to bring in a family with a child."

Robert Scheiner, "You're absolutely right. I couldn't sit here and tell you."

Walter Binger, "Right now you couldn't touch a house around Riverhead for around 90. I think any decent housing is out the window as far as something like that. I mean now, when I bought in Riverhead which is now 7 or 8 years ago, I don't even know the number any more. I bought what I considered to be an expensive piece of property. Now it sounds ridiculous when I hear what people are paying for houses. But the point is, I mean, the town has built a school district, the road system has improved, the overall community has improved. But now we're attracting people before when people wouldn't come near us with a ten-foot pole. But what I'm saying, even though you're saying you're transferring the rights up there, you're transferring up to what you think will be vacation homes and we're not going to have a lot of people. We still have not gained a heck of a lot through this."

Robert Scheiner, "In the two-acre zone..."

Walter Binger, "Just the two-acre zone is all we gain. You just gain half of the two-acre zones."

Robert Scheiner, "When I made my quick presentation, I told you right off the back that the proposal...."

Walter Binger, "I was a little late."

Robert Scheiner, "Ok. I'm sorry. I apologize. I stated that the current ag. A-one acre, is proposed to go to two-acre. One of the tools that the town can use for the transfer in area or the northern border to ensure family size, is to restrict condominium development to one or two-bedroom units. That's one method. Square footage requirements that would prohibit or make it difficult for families to locate. I couldn't look at you and tell you no one, no planner could tell you that that unit could not be swapped next year and a family occupy it with children. But you can decrease that possibility by other things that you can attach to it. And the theory also is, that many of these condo projects that are being considered also will be providing their own extensions to the Riverhead Water District. There will be a central meter to the site where it will be all private water mains on the site, private hydrants and there will be minimal additional services required for that type of development. Those roads will be private and maintained by the association. Now again, I'm painting the brightest, brightest picture. There is no question about it. I'm being honest with you."

Walter Binger, "I just want to do two more things and I will just get lost here. On this where we have now, I guess you take any rebuildable lot right now towards the North Fork that's probably worth around 50 thousand dollars whether it be a half acre, three quarters acre, one acre, whether it has water or does not have water, if it has town water coming, it's still worth 50 thousand dollars. I just want to say, it's more statement than question. If you take these two acres, there also going to be 50 thousand dollars because it's going to be the same situations. How much can you go with two acres. Some of the people are still shaking their heads. You're still going to have one buildable house on those two acres."

Supervisor Janoski, "I hate to interrupt you but you're lecturing. And I guess what you want to do is ask a question. What do you think is going to happen to the value of the property which will be two-acre in zoning?"

Councilman Prusinowski, "Well the fact of the matter is, you've got to look at the data from the other towns that have upzoned and that's just not the case. It's just not the case. I'm talking about Southold Town. It's just not the case. I mean, we have the data and I know what the market is doing today. And yes, anybody can say the market can crash tomorrow."

Walter Binger, "If you zone it, the whole town is two acre, five acre. You've got to have one lot worth 50 thousand. If you still have half acre lots around, you still have subdivisions of half acre lots since they had transfer of development rights brought to them."

Councilman Prusinowski, "We have half-acre lots going in town for 50 thousand dollars now."

Walter Binger, "I said half-acre lots and one-acre lots. If you go to anything you can build a house on right now with water or available city water is worth about 50 thousand dollars. I'm going by what I see today."

Councilman Prusinowski, "That could be true. I'd look at what happened out in Southold Town when they had the same argument when they upzoned a lot of parcels there to two acres because they had a groundwater problem. That possibility could be true in Riverhead and that's what we're going to try to find out through this process. And you know, there's one thing we have around here on the East End. And I'll tell you something, I travel a lot more west. And my firm opinion here, is getting firmer because we have something that nobody else has in western Suffolk County, Nassau and Queens. We have the land. And the reason why we have a lot of people moving into Riverhead is because a lot of people are now working in the middle of the island in Hapauge with all the services, computer fields and they're moving to Riverhead like in the old days when they moved from Manhatten to Queens and Nassau and that is one of the things we're facing here. So now, let me say this. If there's a market and there's more people trying to buy things and there's less land, I think the price is going to go up. And I know that is on the minds of everybody here. That what is it going to do to my land value. And I don't think anybody on the Board is trying to do anything to hurt land values at all."

Walter Binger, "No. I'm saying I see where the one acre and transfer acreage will remain the same. I mean, if you're taking the rights out of here and selling them here. It's still going to be worth twice as much up here."

Councilman Prusinowski, "If it works that way."

Walter Binger, "It don't necessarily have to go on a half acre. The other thing I don't see addressed here and it always seems to be a dead issue, is what happens to the Expressway with all these people moving out, with all these new people moving up to the North Shore, all these people coming out from mid-western Suffolk to come out here and live? We're going to have a lot more traffic. Now, nobody has addressed the fact that the two roads that lead out to the North Fork are thirty years old, forty years old, fifty years old. Now, I live on it. I know the traffic increases daily."

Councilman Prusinowski, "That's right. I drive on it every-day."

Walter Binger, "I can't get out of my driveway at 5 o'clock. So nowhere have we.... Right through the middle of all that fancy open farmland that we now propose, is where the expressway should go and nothing has been said about it all. In fact, it's like it is never going to happen. And if that's the case, then let's find out what we're going to do with all the people."

Councilman Prusinowski, "So you want us to look at that."

Walter Binger, "I think that should be in this. Some thought should be put into where it might be. Transportation. What are you going to do with the people we're putting up there. How are we going to get them there? And if we are going to get them there through the Expressway, then you don't proposed right through the open farmland. Then it's the middle of this pretty picture is where it's going to go. Thank you gentlemen."

Supervisor Jansoki, "Thank you Wally. Is there anyone else who has a question? Yes sir."

Larry Ferrano, "Is there a change that with farmers selling their transfer rights to developers who have land on the North Shore that this could hasten the population? For example, again there is land on the North Shore. A developer can buy development rights from a farmer and now be able to cluster on the North Shore making it worth his while in this current building boom to put as many condominiums up as he can. And even though, if your projections are current in that, that the overall population might be smaller. It seems.... I have to ask a question. Is it possible that we will reach that peak population much sooner with this plan?"

Robert Scheiner, "Yes."

Larry Ferrano, "Thank you."

Supervisor Janoski, "Thank you. Is there anyone else present who wishes to ask a question? Yes sir."

Emmet Rogers, "I've been listening. Am I to presume that this document is an anti-labor document? There's going to be less houses. There's a housing shortage. Am I right?"

Robert Scheiner, "Is it anti-labor? I hope not."

Emmet Rogers, "Who can buy these houses but rich people?"

Robert Scheiner, "Well, the transfer, the receiving area, no question about it. We're talking about expensive housing. No question about it."

Emmet Rogers, "Am I to presume that this is an anti-labor document?"

Robert Scheiner, "No. Because we make certain recommendations on the planning document for affordable housing in hamlet areas where there is currently property zoned for more dense development."

Emmet Rogers, "Well I know Bishop McGann, asked to have more housing, he asked to have double housing. Supervisor Janoski, are you for that?"

Supervisor Janoski, "For increased densities?"

Emmet Rogers, "For more housing for people that work."

Supervisor Janoski, "Well, quite honestly, that's not a proper question."

Emmet Rogers, "Alright, it is. Then don't answer. You're right. Because I should have been asking on the...."

Supervisor Janoski, "The Town Board, if I could just explain that there is an area which is white on the map. It represents the hamlet area. And the future plan would probably be to allow higher density housing in those areas where water and sewer is available in an attempt to address (what we have come to call) affordable housing problem. Thank you. Yes sir."

Gene Genova, "It looks like on the map here, that the town of Wading River is the only town up on the North Shore in that brown receiving area. Is that correct? The only one that abuts that receiving zone?"

Supervisor Janoski, "I can't see the map. Bob."

Robert Scheiner, "It's the only urbanized area that abuts a proposed receiving area."

Gene Genova, "And my question is this; has any thought been given to how a developer would come in there and be able to get 4 units per acre. The impact that would have on the Town of Wading River in terms of traffic, schools and so forth."

Supervisor Janoski, "What very often gets lost and I can see it in your question, is that there is a density which is possible there today. The area around Wading River, if I recall, is zoned residence B. Is that right? Which allows three quarter acre development. Third acre. Three quarter acre development. And what very often gets overlooked when any proposal is made, is that today something is possible in the way of development. So that an individual that owns that property could come to the Town Board and make application. I'm sorry. The Planning Board to make application for a three-quarter acre subdivision and develop the property. This is a proposal which would lessen the amount of development which is possible townwide. What would happen adjacent to Wading River.... Wading River I can't see because of that other area. It's out of the study."

Robert Scheiner, "Folks, basically one of the reasons is because the TDR program can only work properly if it's contained within a single school district. You can't transfer, you can understand that if you transfer property, the development potential from one school district to another, we feel it's highly improper and that's really one of the problems where TDR has never really gotten off the ground in some other towns. Not only in the State of New York but nationwide. So we restricted it to areas within the central school district zone and that's one of the reasons why the configuration is the way it is. But what you're saying is true and it would have to be addressed in the environmental impact statement."

Richard Hanley, "One thing that you have to understand also is that the four units per acre density recommended for the receiving area, is a maximum. It's not an entitlement. And that any developer, owner would have to prove through its environmental study, environmental impact statement, that that site can (in fact) handle that development at that density much as like he has to do today. So it is not a hard and fast number that he's entitled to get that he's absolutely going to get. And he would have to provide sanitary as well."

Gene Genova, "But right now, it's approximately one house per three quarter of an acre about. But that could go up to four."

Richard Hanley, "A maximum of four units per acre."

Gene Genova, "But has anything been done about how it's going to effect the Town of Wading River itself?"

Richard Hanley, "You talking about a generic treatment of how an increase..."

Gene Genova, "Traffic and so forth of neighborhoods that abut to that and so forth."

Richard Hanley, "The town is going to have to do a generic environmental impact statement on the recommendations from the consultant. And that's a proper place to treat that question is in a generic impact statement."

Gene Genova, "It seems that if you could increase it possibly up to four, that could have tremendous impact on that area that abuts that receiving zone."

Richard Hanley, "I can tell you that the traffic impacts of this will be certainly discussed in the GEIS (as I said) at great length and detail."

Gene Genova, "Ok. But right now, it's a receiving zone and that's pretty steadfast or will that change for any reason?"

Supervisor Janoski, "Anything that you have heard tonight is a proposal subject to change."

Gene Genova, "Thank you."

Supervisor Janoski, "Thank you. I say someone in the front. Yes sir."

Daniel Wells, "I would like to have a little information given to me on how a TDR is going to be valued, if it's going to be sent up to a developer to set the price."

Councilman Pike, "We've done a number of things in the program to enhance the value of TDR's so that they would preserve a reasonable amount of the equity. In fact, that's one of the major goals of the program. Basically, whoever owns the property, the landowner in a TDR sending area is entirely free like any owner of property to set the dollar amount he wants."

COUNCILMAN PIKE, Continued

Now, what can he get and that's the real important question I'm sure. It will depend on a number of factors and we've done a number of things to try to drive the price of TDR's up so that it would at least equal the development value would be if you developed on site. For example, we are basically creating a market in a new interest in real estate called a TDR. We are building into the TDR ordinance the requirement that we designate not only in theory but in fact, twice as much receiving potential as there is sending potential. In other words, there would be twice as much potential demand as there is potential sellers of TDR's. Anytime you have more demand than you have supply, you should drive the price up. Secondly, if you look at the TDR sending zones, the right to develop in those areas, if you look at the per acre lot prices and those areas and compare them with the per lot prices in the receiving area, you will find that the value to buy or have a unit in the receiving area is much higher. That people want to be in the more interesting topography, they want to be closer to the water. They want to have trees around their houses. And that receiving area tends to have those geographic or components to them. In the farmland you've got flat land which doesn't have wind protection which will tend to sell and you can just look at it. In fact, we're seeing sales of two-acre lots north of Sound Avenue, well over 100 thousand dollars in the Town of Riverhead even now. The right to develop in that receiving area and you might recall as Bob said, that we think the value of a development right will be set by its value in the receiving area which is more valuable than it is in the sending area. My suggestion is a practical matter, is that you take a look at what you could get by selling raw land per acre and that you subtract out what the residual agricultural value is. We're seeing sales at 3 thousand an acre. And you set your price at that. You see if the people don't come in. If it's a ten, twelve, fifteen thousand dollars, I mean, that's to a developer in the receiving area the right to add a unit for that. That's his land cost. Where in the Town of Riverhead can you build a unit with a land cost of 15 thousand dollars? No where. So we think they're going to come and we think that they're going to find one because there is; a limited supply and two; because what they're buying is more valuable where they're going to put it. You're going to get every bit of dollar out of those TDR rights."

Daniel Wells, "Are there going to be any restrictions on how far the TDR can be transferred?"

Councilman Pike, "There are not currently any restrictions other than they be into designation receiving areas. In fact, in order to keep up demand, we're thinking about two other types of receiving areas. You'll see that little red section in the southwest corner of the Riverhead hamlet. That is also a potential receiving area. We have also discussed the possibility and have the affordable housing task force we're looking at look at the possibility of a floating zone, TDR receiving area. So a guy could come in and say; look, I'm willing to sell my units at a certain price. I need the right to develop a unit that only cost 15 thousand and he can't get that anywhere else in town. We see that as another potential way of driving up the demand for TDR's so we can keep

COUNCILMAN PIKE, Continued

the price up to those levels."

Daniel Wells, "Is there anything in the plan which would prevent more appropriate areas being developed first and then all the trash sections last which would make the TDR value go down?"

Councilman Pike, "Well, this is a private market system and we're not going to interfere with what the private market does other than enable both of those things. The development and the resort development areas and development in hamlet redevelopment areas. You can't do that now. We're not going to tell people that they can't sell their development rights to people in certain areas. In fact, we're trying to encourage that as a way of driving up the price of what you get."

Daniel Wells, "So in other words, you're telling farmers in a certain area that you can be a transfer zone. Yet developers, they are not going to be sent in areas that have to be developed first."

Councilman Pike, "We're trying to create as large a universe as potential receiving at larger demand for development rights as possible. You see there the current limitations on where you can put them. It's pretty broad. It's not much of a limit. It is a very major portion of the town which would have those development rights that could be moved into."

Daniel Wells, "So getting back to my last question, true or false? This plan, you're going to favor the developer more than you would the farmer through the farmland preservation program?"

Councilman Pike, "Absolutely not. What we're doing is providing a farmer who wants to stay in business and owns his land, if he decides to sell out, he can do so in a way that would keep the farm in agricultural production, get him all of his values, all the rest of his values by selling his TDR's and sell the farm to another farmer who might want to come in and continue farming in the Town of Riverhead. I mean, we have a serious problem when every time a farmer goes under in this town, it reduces the demand for farm services for farm supply. The guys he buys from no longer have a customer. The guys he sells to no longer have a supplier. And that reduces the agricultural activity. That hurts everybody else because it just makes the supplies a little bit more expensive and the likelihood that a buyer is going to show up is a little less likely to happen. So I think it's very much in their interest to preserve those lands in that way."

Councilman Prusinowski, "One thing about this plan, it offers you a flexibility you don't have with the Suffolk County Farm program. One of the complaints I've heard over the years about the county program is, that once we do an appraisal on a property, it's just about set in stone. We can go back and re-appraise it again. We do have some type of negotiations going on in that buying free market system, you have the right to turn

COUNCILMAN PRUSINOWSKI, Continued

your offer. You can negotiate freely with the developer or the property owner. It might necessarily be with the developer to get the price you want for your property. It's a flexible plan. And it's one that I think gives you a lot more latitude than the farm program. You know, it's something that we've never done before in the Town of Riverhead. It's something that we're proposing. And I think what we want from everybody is, for you to understand what we propose and come back to us in a month or so or in a couple of weeks and say; hey, it's great or it's not. Or offer us a better way. Because nobody is saying we have the way that's the right way. But for all the years I've heard the reasons why the farm program is no good. Well, you know, they give me a certain amount. If I turn it down, the file is closed and I can never get in again. And for those property owners that own agricultural property, whether they choose to remain in farming or not, it's another way for them to get their value out of their property and still have that option of farming in the future or owning all that open space which could be sold to somebody else and I think that's a valuable thing. I think the equity is there in the land overall, down the road. Maybe not. That's just what we're thinking."

Bill Talmage, "My question has to do with Vic's last comment about the equity being with the land down the road. My question really has to do with the upzoning. I'm totally unconvinced that with this volume of property that the property values with an upzone will maintain it. In the small programs on the South Shore it's been a limited supply and demand situation where they've had an upzone and where it has created a shortage in lots. It wouldn't happen here, I don't think and I'm completely unconvinced of that but my question is; has this group investigated and talked with the lenders who lend to the farmers and to see if they're going to be eliminating the farmers collateral base. Because the lenders have to look at the worse case short-term situation and it may result in even after a farmers' bill of rights and all these things, putting people out of business because of the short-term ramifications of this program. If a farmer's land is worth only two-thirds of what it was worth before the program goes into effect and he's highly leveraged either because he's trying to change his operations because of the change of agricultural or because of bad years and he's waiting for things to improve. For whatever reason, the bankers immediately get nervous and it could result in farmers being put out of business and I want to know if that aspect has been addressed. From talking that I've done with bankers, I don't think it's been sufficiently addressed but I wondered if you had any more information."

Councilman Pike, "Well it's simple. We are here to make sure that we protect that equity. It's one of the very bedrock goals that is carved into what we're going to do in the final analysis. I have yet to hear from a banker who thought if that was going to happen, and in all of the research we've done asking farmers in Southold or what they feared would happen here, nobody could point to a specific example where that did happen in Southold. I'm open to the possibility that it might have happened somewhere. But to this day, since we started this investi-

COUNCILMAN PIKE, Continued

gation over a year ago, nobody has been able to point to an individual who had that happen to him through the Southold Town wide upzoning. And if there are incidents like that, well, we could take a good hard look at them and see exactly what happened. The fact is that we're cutting the supply of this farm of residential lots in half. And that's going to have a good effect on the value of development, on the value of dwelling units. And it's not going to state at the same area. We're cutting this wide. This has to have an effect that lifts it up and you see that demonstrated in Southold."

Bill Talmage, "I agree in the long term. No question about that. I'm concerned about the farmers in the short term."

Councilman Pike, "So it really is a bunch of decision makers who were sitting out there who have made a commitment to these farmers who are worried about them, don't want to get caught with not enough collateral of what they have to collect. Ok. Clearly, we're talking about farmers who have leveraged out to an extreme and I think what we've got to do is go to those financial institutions and say; look. These guys have got a lot of problems but we don't want you guys to be one of them. We want you guys to go through this realizing that this town is about to make the biggest commitment to farming that any county has made and we don't want you guys hurt. And I think we can have some influence on them if we do something like that instead of worrying about how they might react. Let's set the program and tell them we're making a commitment and see if they're willing to go along with it."

Bill Talmage, "So there are no plans for an organized program for talking with the bankers?"

Councilman Prusinowski, "No. I think that's a great idea and I think that we will talk to the bankers, like the federal land bank, production credit. I do know, from my experience with those guys, you know, as much as you'd like to go in there and say; I own 500 acres of land. But when you tell them that you've lost money for the last 6 out of seven years, your land could be worth a lot because really in the long run, the federal land bank really does not want to foreclose on your property. They own a lot of property now in this town and the North East. And it's my understanding from what I've just read in the Wallstreet Journal, even Farmers' Home Administration are getting a little tougher on credit. One advantage that the guys have out here though unlike the midwest and some of the other areas in the country, at least the value, the property values have been accelerating even though the business has been going up and down. Where in the midwest, it's been going down. Property values are plummeting and so is their business. So at least, thank god, the property owners, the farmers, have a fall back position. Now whether or not they're going to say from now on we'll give you 80 percent of your value or 70 percent or 60 percent, that's something that we should ask them and present to them and get those answers. And I think that's a good idea."

Bill Talmage, "And also the question would have to be about operating money for farmers."

Councilman Prusinowski, "Absolutely. Production credit."

Bill Talmage, "He isn't going to plant his crop if he doesn't think he has enough money to harvest it later. So he may have to scale back his operation. If that happens, he may, with the taxes he has to pay on the rest of the land as overhead, he may not be able to make it. He may be driven out by just having a smaller amount of money that he can borrow."

Councilman Prusinowski, "Right. That's a good question."

Bill Talmage, "So you have to look at all of it."

Councilman Prusinowski, "That's an excellent point."

Councilman Pike, "Thanks Bill."

Supervisor Janoski, "Mr. Klein."

John Klein, "Mr. Supervisor, members of the Board, ladies and gentlemen of the Town of Riverhead government and ladies and gentlemen here tonight. My name is John Klein. I'm appearing here tonight on behalf or as an attorney for the Long Island Farm Bureau."

Supervisor Janoski, "John, do you have a question?"

John Klein, "Yes."

Supervisor Janoski, "You seemed that you were winding up for a...."

John Klein, "Mr. Supervisor, you've got to understand you are dealing with a former politician and current attorney. It takes me 15 minutes to introduce myself. Following the Supervisor's admonition, we are not here tonight to express an opinion for not only that reason but the reason we think (the Farm Bureau) it is premature to do so until all the facts are developed. However, there are some questions that I would like to pose and I might pose them in the form of a rhetoric questions in that they may not be subject to answer tonight. And some of them have already been touched upon by Mr. Talmage. And that is the question of; the degree to which, the Town of Riverhead has evaluated the impact of this program on the ability of the farmer to use their real estate for borrowing purposes. Without repeating his questions, I would like to identify a question which relates to a narrower portion of that issue and that is; the differential between the program for the ten-acre parcel designation and the two parcel. It is clear, from your document, that the ten-acre designation constitutes an as of right participation by the landowner to the extent that he or she will get the full value of the development rights. However, as to the two acres; it is on petition clearly. In response to a petition for participation by a two-acre landowner, by whom will the decision be made as to whether or not participation will be permitted and under what criteria?"

JOHN KLEIN, Continued

The reason for the question is that any lender, whether, a commercial banking institution or one of the traditional agricultural lenders, will look at, and as of right posture of the landowner in terms of developing maximum value for security purposes. And will not loan money, I think I need not tell you, based upon potential, favorable application on zoning. So the question is, has that been considered? Has the impact and differential between the borrowing capability as of right versus petition been considered? And to the extend that it's been considered, how has it been factored in under some protections in the regulations? There's a... Perhaps Mr. Supervisor is agreeable to you, I can pose the series of questions in an effort to expedite my presentation. You can, at this point, address any that you wish (anybody present) or defer them for further deliberation but I'd just like to get them on the table. I don't want to sound like a lawyer but there is one aspect of this program that gives, not only the Farm Bureau but myself as a practitioner, feels is an area of concern and it should be a matter of concern to you and I pose the following questions as it relates to the actual sale process. Certainly, we can develop some instruments which would reflect how those documents, how those development rights are held. But as I read the document, there is not only a possibility for farmer A selling to landowner B in the receiving area, his or her development rights, but there is also a possibility (and I'm not saying this is a bad possibility) of a farmer selling to an investor who does not own real estate in the receiving area but intends to "bank" those development rights. Traditionally, if a landowner sells his real property to a traditional buyer in a traditional speculative market, there is financing involved usually in the form of a purchase money mortgage. I suggest to the Board that I have not seen addressed and I raise the question as to whether you have considered what happens in the scenario. Farmer A sells to speculator who does not own property in the receiving area and takes back the 60% or the 80% purchase money mortgage. The speculator holds the development rights and does not apply them by some further transaction with the receiving area. Market goes on its face for some reason. Unlikely, but it's happened every twenty years in the past and there's no reason to suspect it won't. Now comes the moment of truth in that farmer has to exercise his rights to recapture his collateral by way of foreclosure. A; if he forecloses, can he recapture those development rights and place them back on his property (theoretically) and sell it in the future? Secondly, let us suppose that he has not held onto his purchase money mortgage. But in an effort to raise equity for himself for any other reasons including retirement or any investments, he has sold his mortgage to one other than himself who now has no interest in real property anywhere. And the question then becomes; can that person be assignee of the mortgage which is now in default foreclose against the speculator. And if so, what does he do with the development rights when he recaptures them through foreclosure? That may seem like a strange question to ask in terms of the perspective of the farmer. But in fact, it is a very important issue to the farmer because it effects his ability to sell on term. There are some smaller questions. Has anybody viewed and or determined whether or not you want to deal with that?"

Councilman Pike, "Yes. I do before you get off it because it's one that we have been thinking about for a while and it came up in several discussions with Vic and members of the Farm Bureau. First of all, I'll give you a lawyer's answer. You do what you've got to do in order to protect your client. And most transactions are not going to through a three-stage process. Most transactions will be handled, I think, in the lower-risk profile that's done with most transactions in the model TDR program in Montgomery County which is; that a guy who wants to buy TDR's, brings an application that uses TDR's and enters into an option to buy the TDR's from the farmland owner. He brings his application through the normal procedures using those TDR's to the Planning Board, the Town Board, whatever. And only when he receives his full approvals for the use of those TDR's, does he exercise his option and immediately moves them into the receiving site. It's over. Very risk free. Because he knows exactly how many TDR's he can when he buys them. That's the most likely way to go. But it does in fact, encourage free market buying of TDR's. The reason for that is to again, expand the market for TDR's. You have now taken the market for TDR's from simply owners of receiving areas or contract vendees of receiving areas to the entire universe of real estate investors and that should drive up some demand and hopefully it would drive up the value. Now how do you secure one of those transactions? We are looking at the question of whether you have a new interest in real property that could be returned by a mortgage. But I would suggest that there might be a simpler routine which you would treat like you would secure transactions in corporate stock on a small level which is to set up an escrow with a return transfer back to the seller which is released out under certain default circumstances. I don't think anybody wants to wait for the foreclosure process, frankly, because it is a long drawn out one and counsel might in fact, secure it in a more expeditious way by using escrow and return deeds. I would point out to make it clear that if a farmland owner does transfer his development rights out and gets that value, he can get the development rights back into his ownership. But he can't get them back into his land. So he now owns those development rights is again, free to sell them like any owner of TDR's to any willing buyer in the market place. It is a serious concern and I do think good counsel would be able to, certainly you pre-eminant among us, secure a transaction of that nature."

John Klein, "I hear you and I understand and I am gratified that you have addressed the issue. My only concern is a suggestion and I'm going to trend lightly around the Supervisor's admonition. In response to your answer, my suggestion is; these are issues of scenerios which you can develop. But I suggest, must be in order to be useful, be implemented in some kind of documentation as this program goes forward."

Councilman Pike, "If you have a copy of the legislation, you'll notice that there are three specific documents that are modeled after the exact documents used in Montgomery County. They are subject to improvement and revision and your input on that would be greatly welcomed."

John Klein, "Appropo, the same issue of foreclosure, the question becomes one relating to assessment. The question has already been asked and I won't repeat it as to how one... If one buys the development rights as an investor or speculator and banks them, the town would, therefore, presumably assess them to that speculator. The question then becomes, what is the scenerio in the event that speculator fails to pay his taxes. And under the Suffolk County Tax Act, the County then forecloses the tax lien and takes title to (question mark) the development rights. And if so, under what circumstances and conditions does the County hold them in respect to disposition. A rhetorical question unless you want to deal with it at this point."

Councilman Prusinowski, "We're going to.... That's a good question. We'll take a look at that. Only you could have thought of that."

Councilman Pike, "Actually John was just trying to find one more way to get development rights into the County."

Councilman Prusinowski, "That's a good point."

John Klein, "I must say that I was late getting here tonight because of the traffic on the expressway is now bumper to bumper to about (I guess) 112. It use to be to Nichols Road for that 111. Perhaps, if some programs of this kind have conceived a few years ago, the traffic might have moved more freely out here. In any event, I apologize for that. The last question I have I guess I should put to the Supervisor with my apologies of having been late because you may have plowed this ground if you'll pardon the analogy. I heard you say that this is a deliberate process and one which is going to be handled with a great deal of care. Can you tell those effected an approximate time table of deliberation and the components of that as it relates to DEIS's and so forth. Again, covering the ground, I apologize."

Supervisor Janoski, "John, just this afternoon, I had expressed my interest in the Planning Board along with the Town Board and the Town Attorney and our consultants, in trying to sit down together to establish a timeline in which we would identify every step that is necessary as we proceed with these proposals. And we tried to establish target dates for the completion for each of those steps. So that is something I will hope take place after this meeting if it does not go on into the early morning hours and that is a goal we have. To exactly set up that time frame in which we will be working so that we will have target dates to meet as we proceed step by step in each of the processes."

John Klein, "And knowing this Town Board, I am certain that they will.... That as much advance notice will be given and I think that would be terribly useful. Let me suggest to you that there are other technical questions which I really think would be unproductive for me to ask you here tonight. Those technical questions which I have asked, I've used as a device (I hope) to indicate. There may be some bodies buried here. Not that they can't be exumed and moved. But there are some potential bodies buried. With that, I will conclude. Now violating the Supervisor's admonition by saying the Farm Bureau is most anxious to be included in this deliberative process and stands ready to make whatever participatory role you think is appropriate."

3/23/87

Supervisor Janoski, "Thank you John. Yes sir."

GENTLEMAN SPEAKING FROM AUDIENCE (INAUDIBLE)

Supervisor Janoski, "Is there anyone else present who has a question? Mr. Smith."

Allen Smith, "My first three questions were lightly touched upon by Mr. Klein. I will be a little more blunt. I would like to know the date that a lead agency will be established. I would like to know the date of a scoping hearing. I would like to know the date of the hearing to be heard on this plan. The reasoning behind those questions is that you have put in place a moratorium which effects people's rights. Many of whom are in the room. And if you take six months to decide who is to be lead agency, you should tell these people that you are going to effect their right for six months without doing anything substantively. And if you do intend to do something substantively, I would suggest that it be done on a time frame and does not cripple these people in the period of time where they have a hot market. Now again, unlike Mr. Klein and constrained by the format that you have put forward, I would like to dig up a body. He said that he'd leave the bodies undug. I'll try to dig one up in the framework that has been laid out. I would like to ask anybody who would wish to tell me, in that brown area along the Sound, how many parcels are of a size of 100 acres or larger?"

Supervisor Janoski, "Mr. Scheiner, do you know the answer to that question?"

Robert Scheiner, "Five."

Allen Smith, "So then it is correct to say, that when Mr. Pike speaks of a surplus in terms of sending and receiving areas, that I am correct in my perception. That by designating Rolling Woods as a receiving area, it is not really within the feasibility of man that every house in Rolling Woods will be torn down to receive some of these rights from out of these yellow colored areas. Is that a correct assumption?"

Councilman Pike, "In fact, all of the developed areas have been pulled out of the receiving potential if you take a look at what we're looking at. The second thing I'd mention to you is that the important thing here is that there be this balance between sending and receiving. That they're not only in theory and I know I'm repeating myself, but in fact be a lot more receiving potential in fact than there is sending potential. Whatever we have to do to make that happen... Let me answer your question."

Allen Smith, "Five parcels is a greater receiving potential than everything that's colored yellow?"

Councilman Pike, "There's nothing limiting it to five parcels. Your 100-acre threshold doesn't exist. Exactly what we're doing here is allowing anything. I think there might come a time where we would want to restrict size of parcels. For example, not to allow one-acre parcel to go to four-quarter acre lots. But in fact, there's nothing in the proposal yet that does that. The second thing that I would mention to you Allen, is that we.... And

COUNCILMAN PIKE, Continued

this principle is an important one that you're addressing here. That there absolutely has to be demand for TDR's for TDR work. It's one of the consistent principals for every TDR system that has worked and is one of the total faults for every TDR system that hasn't worked. And there are a lot more of the latter."

Allen Smith, "I don't think it's here. I don't think it is in our town and I don't think it's in this program. Seeing as you're expressing an opinion, I shall also. The accurate map is not this map. I submit to you. And that it might be well that an accurate map be prepared such that these men and women who own these farms, understand that quite possibility after the first 5, 10 or (in my judgment) 15 TDR's, that there will be no real possibility that they will be able to transfer their development rights up on the Sound."

Councilman Pike, "And I'll simply respond to that which is, I think that perhaps this map has an over emphasis on the north sector as a receiving area. The fact is that there is a planning principle which calls for increased development around the supplies of both water and sewer. We have one small such area designated here. But as we're going through the process and listened to comments such as yours, since it was released, we are coming up with any number of other potential receiving areas. But I'll simply go back to the principle and the principle is built into the TDR. TDR will only work if in fact, there is that receiving potential. And there are two things you can do to make sure that you have this balance between sending and receiving. And that is to increase receiving or decrease sending. Now, I'm hopeful that we can increase receiving. And all it really is shifting development around in the Town of Riverhead because the overall effect of TDR here has not effect on the population whatsoever."

Allen Smith, "Is it correct that you won't get more than two units to the acre on any of this without a sewage treatment plant issued under Article 6 of the Sanitary Code."

Councilman Pike, "In receiving areas?"

Allen Smith, "Yes."

Councilman Pike, "Two units. That's correct."

Allen Smith, "So to the degree that you tell these people that they can receive four units, that's not correct?"

Councilman Pike, "No. That's an overstatement. If they put a sewage treatment plant in, they can get more than two units per acre. Exactly what you said."

Allen Smith, "Is it your opinion that a package sewage treatment plant can be viable on a parcel of 50 acres or less?"

Councilman Pike, "I'd go to my consulting engineer on that."

Robert Scheiner, "Again, if I may. Fifty acres; if you were to develop four units to the acre, let's say the maximum of 200 units which it wouldn't be. It would be 80% of that. Let's say 200 units could support a sewage treatment plant. The numbers that the Health Department uses, I'm sure Allen you are aware of those numbers, normally break around 100 units to when it's feasible, that the Suffolk County Health Department feels it's feasible for a small community to manage to operate a plant."

Allen Smith, "And have these weaves and considerations as to when you may have a plant and may not have a plant, woven into these three to fifteen parcels that this can be done? Did you think it through when you proposed this? Is there an analysis that backs up part of this study?"

Councilman Pike, "I'll give you two responses to it. First of all, the bare minimum is that we have one receiving potential for one sending potential. That's the gun that makes the bullet fire. It doesn't happen unless that's there. We're building into this a safety margin by a factor of 2 to 1. We have discussed the probability that not only for health reasons, that for environmental reasons, for topographical reasons. In addition to sewage reasons, you're not going to get 4 units per acre. I don't...."

TAPE ENDED

Councilman Pike, "...we have to do one of two things. We have to decrease supplies or increase receiving potential. The law is structured so that we have to. So clearly we thought about that balance problem and it won't be passed until that balance is structured not only in theory but in fact."

Allen Smith, "Do I get from that you are asking me what my concern was?"

Councilman Pike, "I usually end questions with question marks not periods."

Allen Smith, "So you don't want to know what my concern is. That's ok. I'll come back. I look forward to it soon so that this thing does not drag on."

Councilman Pike, "Allen, as you and I know, we both talked about this at least four times and we have a number of other things we haven't resolved either."

Allen Smith, "That's true. But in this particular instance, there are a fair number of people behind me that are effected by a lack of resolve. And in some degree of fairness, it should be resolved in my opinion. Thank you."

Supervisor Janoski, "Thank you Allen. Is there anyone present wishing to address or ask additional questions concerning the proposals? Jerry."

Jerry DuVall, "I have two questions. One concerning the issue of affordable housing. It seems like the area designated for receiving area is some of the highest priced property in Riverhead and I don't see the younger families being able to take advantage of this; moving into this receiving area."

Councilman Prusinowski, "To answer that question Jerry, the scope of this project does not include that question."

Councilman Pike, "And the other answer is; if we do nothing, there is going to be no affordable housing in that receiving area either."

Jerry DuVall, "Do you plan to address affordable housing before you resolve this issue? Or are you going to resolve this issue and then go on to affordable housing?"

Councilman Pike, "There are a number of planning efforts that (clearly) this town requires. We will be (this week) moving forward on a simultaneous study of affordable housing. To say that this plan addresses that, again I agree with Vic. It wasn't designed to. We will be doing another component of the Master Plan for the Town of Riverhead; affordable housing. And it is an extremely (far more difficult) difficult prospect for providing more land costs or climbing over 55 thousand units per acre for half acre lots in the East End of town. As somebody who sells real estate, I think you're aware that there basically is not an affordable house in the Town of Riverhead. And if there were, you would have sold it yesterday. So that it's hard to imagine the open space becoming affordable unless you go to densities much much greater than (I think) anyone in this room would like to see. And if that's not true, I'd like to hear it."

Jerry DuVall, "What kind of densities do you propose for your hamlet districts? Are you going to allow them to be receiving areas?"

Robert Scheiner, "Jerry, if I may just answer the one question. We were hired to do an open space farmland preservation, TDR, the whole aspect of transferring development in the Town of Riverhead. We did make, in my opinion, a very simple and significant recommendation for immediate help in the affordable housing area. And that was; we recommended in the plan that currently in residence C, some of the other residential districts that are in the hamlet areas right now. Currently, if you wanted to develop on a more dense level, condos, townhouses, smaller lot development, you have to go in front of the Board for a special permit. We recommended that it become a permitted use. In my opinion, having worked in local government, I think that a significant recommendation that no one seems to have concentrated on and I don't even know how the Town Board feels about that frankly. But I think that's significant from a step of making something a reality. There is currently property that is vacant in the Town of Riverhead that is near water and sewer that can be developed as special permit procedures under a much more dense development that will/can supply more affordable housing units. I don't have the number that it can supply because we weren't required to do that. But that change in itself can be significant

ROBERT SCHEINER, Continued

in answering the affordable housing question. It's not the total answer."

Jerry DuVall, "To pose a question that someone asked on my road; does that come in in this white area?"

Robert Scheiner, "Yes."

Jerry DuVall, "My other question is, the purple area and the industrial area. How did you arrive at this particular area to be in the industrial area of town? Whereas there was a great deal more of industrial property in town before this map was drawn. And did you ask for input from the county and from the local industrial development agency?"

Robert Scheiner, "We did not do it from the local industrial development agency. No we did not. But we did meet with the County Health Department. We met with the County Planning Department at least two times, if not three. My memory fails me. The reason why we established those boundaries, was number one; current development, potential development around the terminus of the Long Island Expressway. Properties that were currently zoned industrial A that could by (physically) zoned/used for industry. As you know and as many people know in the Town of Riverhead, there are other restrictions that are placed on zoning that the Town of Riverhead has absolutely no control over. And that has to do with Suffolk County Health Code, specifically article 7 and article 12 of the Health Department which restricts industrial development to areas that are not sewerred or can not be sewerred, in that it effects the ground water. What we attempted to do is to show a significant growth area for industrial development that could be developed (realistically) for industry. Not a pipe dream like the '73 Master Plan. The '73 Master Plan is not true. It just can not be. As you know, you can't develop industry in nine tenths of the area that it exists in now because of environmental constraints placed upon the town by the Suffolk County Health Department. Also, it's in the deep recharge area. So we concentrated industrial development around the terminus of the expressway into an area that we felt could be served (possibly in the future) by an extension of the Riverhead Sewer District like a spur of the Riverhead Sewer District called (for example) the Riverhead Industrial Sewer District. So we felt this was realistic from their standpoint. If the town could show growth and industry, growth and tax base and it really could happen. Where in the other areas, it just can't."

Jerry DuVall, "Thank you."

Supervisor Janoski, "Thank you, Jerry. Is there anyone else present who has questions to pose? Way in the back."

Walter Zaweski, "We have a moratorium in the town right now. Right? How long does that go for?"

Supervisor Janoski, "November 2nd. Six months."

Walter Zaweski, "We're not left in the situation but supposing we were where say, my mother died. She left us the farmland. We don't have enough money to cover the taxes. What the h--- are we going to get for this land when we can't get anything on it with a moratorium? What happens if we're in that ten-acre zoning and this death comes suddenly? What happens to the person who is stuck with this thing, with these TDR's or whatever? I've got six months to get rid of this. Have you taken that into consideration? Where a lot of us are involved in this situation. Other words, you guys are god up there. You think you are."

Councilman Pike, "Clearly, we're not that."

Walter Zaweski, "You're all in control of everything right now of the whole deal. We're hung. We can't.... What are we going to get for this property if we wanted to sell it, when there is a moratorium on it as far as it goes up against the zone. It has to be done within a time period."

Councilman Pike, "Let me just suggest to you... Do you want an answer or are you just going to keep on asking questions?"

Walter Zaweski, "Is there a leeway going on there or what?"

Councilman Pike, "Let me just suggest to you that; I think that there is a concensus on the Board that we will try to do this as fairly, as legally and as quickly as possible and to try all of those things consistant with each other. And occasionally... Let me finish. In the event that you were to go into an estate situation or you currently are, there is the unfortunate but clear possibility that you could sell the farm in order to pay the taxes. Now, that's the least desirable; if you want to continue farming, obviously. But if we are correct in what we're saying that this will preserve farmland equity and hopefully over time, enhance it more than it is currently being enhanced now by reducing what can be done with it in terms of supply. Reducing the supply and increasing the demand should drive up the price. Let me just finish."

Walter Zaweski, "I'm not interested in preserving the farm. I'm out of there and I have no interest of going back farming again."

Councilman Pike, "Well, you're interested in paying your taxes. So let me just suggest to you that the attorney handling your estate would be able to keep the IRS at bay or the State at bay for at least six months until this is done. Now, my hope is that we will not inconvenience people by the completion of this planning and legislative effort by that amount of time. We've done a lot of work without the moratorium which normally would be done. Normally a moratorium like this would be put on when you begin the planning effort and we did not do that. We waited until it was released. So that people who had to subdivide, got their applications in. And the people that had to make financial arrangements knew it was coming and had an idea and some time. I don't know...."

Walter Zaweski, "I didn't know. I couldn't plan somebody's death. Did you take that into consideration."

Councilman Pike, "And that's unfortunate. Nobody can...
Let me just...."

Walter Zaweski, "The valuation of this property with the moratorium and everything else is now way down now because the guy don't know what the h--- he can do with it."

Councilman Pike, "Let me just say to you that we will try to come out of this planning and legislative effort as quickly, as legally and fairly as possible."

Supervisor Janoski, "Is there anyone else present who wishes to ask questions? Yes sir."

Charles Chicanowicz, "Those parcels mentioned, they're old. There's no 100-acre parcels. They are all small parcels. A 100 acres he says. They're only 15, 18, 27 acres. There's no big parcels left. The roads are all built up. It looks good on the map there but what is the land up there? There's nothing up there. Just the two back pieces left, that's all. I'm in my seventies. I can't go on a long term. I haven't got that many years. I can't wait that long. Most of the farmers are my age. Think of them. They've got a lot of savings tied up in them. They want to retire. I want to move across the road too. I think I will."

Councilman Pike, "Which way?"

Charles Chicanowicz, "North."

Supervisor Janoski, "Is there anyone else present who wishes to ask any question concerning the proposals? Yes sir."

Lyle Wells, "I have a few questions in regards to discrepancies between the H2M studies and the recommendations of the town. The H2M study makes reference to an agricultural advisory council which is not mentioned at all in the recommendations from the town. They seem to feel that they can make plans and procedures without the input from the agricultural community."

Supervisor Janoski, "Lyle, nobody has said that. And look, I'm going to say this one more time. This is not a debate."

Lyle Wells, "Why was it left out?"

Supervisor Janoski, "Thank you. Sir, you're the town consultant. Would you answer that question?"

Robert Scheiner, "I honestly can't answer the question. We made a recommendation in the report that recommended that farmers be on a committee that would oversee this program. And I don't think that it was a question that the town left it out. I just think it was our recommendation."

Councilman Pike, "There are two ways we could go here and there are concerns both ways. What the legislation does not do is create another body that you have to go to get approvals and create another approval process. It really does try to keep things as using existing procedures and bodies as possible. One of the improvements that has been brought up in the past but has not been

COUNCILMAN PIKE, Continued

adopted by this Board but it could be. It would be to add the legislatively possible sixth member to the Planning Board and have that kind of input there. There is absolutely no intent to exclude farmers from being involved with this as it goes along. And in fact, we're dying to have more involvement with it. I don't know, if you think it through, whether having a separate non-elected or clearly independant body is a good idea. It just seems to me, to add to more of the paperwork, more headache, more (unfortunately) possibilities for corruption. And I don't think we should do that. So we've talked about this basically. I think the principle involved though that you ought to have people with as much expertise involved as you can, is when they thought to set up with the way they set it up and that I would agree, should be done with existing procedures so that you don't overly complicate it. I think we agree with the principles of just how to best get there."

Lyle Wells, "My next question would be; could you explain the process for getting land from the farm neighborhood zone which is two acre? What would be the process of putting that land into a sending zone and who makes that decision?"

Supervisor Janoski, "Lyle, I know that you and he talk all the time."

Lyle Wells, "Not true."

Councilman Pike, "Let me answer the question. We don't talk enough."

Supervisor Janoski, "Let me say something. Are you talking about what's proposed there as far as the map and the colors and where they are and how do you get one change to another? In a public hearing, you can stand up to that very same microphone and tell us, as a Town Board and the Planning Board that's the way you think it ought to be done. Right now, you are supposed to ask us a question as to the map as it is and the proposals as they are."

Lyle Wells, "Which is what I'm doing."

Supervisor Janoski, "And you want to know how to change the proposals?"

Councilman Pike, "No. He wants to know how to move a property from a farm neighborhood zone into the farm preservation zone. And the answer to that is, it is done on petition to the Board, this Board which is the Board that in the legislation, designates the farm area. Basically, it would be an identical process to a rezoning. It would go through all of the notice procedures and it would go through all of the hearing procedures. Originally, we had thought of possibly having that application be presumed to be approved unless certain things were found to be true. But the way the proposal currently stands is, in order to make sure that we don't create an over supply of TDR's, that you could deny an application if you got to the point where you were creating an over supply of TDR's which would drive the

COUNCILMAN PIKE, Continued

value down. So that the only real circuit breaker is that it has to meet the standards for land that's going to qualify for the farm preservation zone. It has to meet all of those standards which is prime agricultural soils one and two, contiguous to or near large open space farmland either in the county or in the town program. And three; you'd have to have a finding that it would not over supply the market and drive the value of TDR's of other owners of TDR's down. That limitation is put into that in order to protect the value of TDR's."

Lyle Wells, "Basically, the decision is made by the Town Board."

Councilman Pike, "The way the legislation is set up, it would have to be made as an administration decision of this Board. It really is more of an administration decision because there is specific standards we'd have to meet but it would be made by the Board. Like any decision, it's open to hearings."

Lyle Wells, "The other questions I have would do with the hamlet areas used for receiving areas. Also, the problem that Mr. Klein addressed in lieu of default on transfer of development rights held for speculation. Those are some questions that need to be answered. Also, on the guidelines for maximum yield on farm neighborhood zone, 45% used for development and 5% buffer. How stringent are those and are they written well enough that they can be carried through the years if it's adopted."

Councilman Pike, "Can they be improved? Absolutely. Are you asking how they work or can the language be improved?"

Lyle Wells, "How stringent are they and are they flexible enough that they can be changed in the future?"

Councilman Prusinowski, "That particular part of the legislation is really zoning law for the Town of Riverhead. And other than the land that is transferred out, which one of the things we had a discussion on which I would like to see it covenanted with the County, all zoning laws can be changed by future Town Boards. That's the direct and honest answer I'm going to give you. In other words, I know what you're saying. In that area the 5% use is like, for example, in CR. We can change, different Town Boards can change the configuration of country rural. The only difference is, on this whole proposal, the land that's sold or stripped, when you sell your TDR's out and you have your simple fee title, we're going to make it very difficult to change that. If not impossible. The other aspect of this is really subject to future Town Boards and Planning Boards and public hearings and the public input. As exactly what we're doing now. That's the long and short of it."

Councilman Pike, "There's a part of your question I don't think you've gotten answered and it has to do with whether the mandatory subdivision guidelines are in fact, mandatory. And they are set up that way. That if we are making the commitment to preserve farmland, that you've got to follow through on that commitment. There are a couple of misconceptions about how that subdivision process would work. And I think the most important one that I hear

COUNCILMAN PIKE, Continued

all the time is that you would end up with a lot of publicly owned open space. And the map on the left there is an example of the mandatory farm lot subdivision requirements in a two-acre zone. And basically what this does, is take all the areas in yellow on that map and says; ok. Let's conceive that there's going to be some development of housing in the Town of Riverhead. Can't we do it in a way that would, at the same time, create more but smaller farms and the map on the left there is a possible configuration. Now, the area in yellow is most of the yield that you would get on the lot in a two-acre subdivision in any town. But that rest of the area is not open space. Those are farm lots. Those are farm lots that would be completely and individually owned by an individual farmer who could build his farm house and run a farm operation on there. They are scaled at a size that meets the criteria for any number of farming businesses that still work. Vineyards could do it. Greenleaf could do it. There are some problems with that but basically that gives them enough land area to do it. Ornamentals could do it and horse farms could do it. The other misconception is that the guidelines do not effect the yield. You don't lose any yield with the guidelines. What they do do, is basically say that even if there is going to be development, let's give on that point. That we're still going to save in this zone more than half of the property for farming. And in the process, you'll take one farm, and in this particular example; a 70-acre lot, and put two farms. It will be different farms. It will be smaller farms but they're headed in an area that is showing viability and coming out of an area that probably was not showing viability when the idea of subdivision or the necessity of subdivision arose."

Lyle Wells, "While we're on the subject, the buffer zone which is roughly 5% on that picture there. In the study it says; or to create a recreational area for the community. Is that going to be encouraged? The reason I ask that is because I have real problems with a recreation area right next to an agricultural area."

Councilman Pike, "It would depend on what sort of recreational area it is. If it was a horse path and those were horse farms, it would give the people who were.... The buffer area would be owned by the property owners association. And that's really the only area that they control. Whatever they do, and that's pretty specific and they have to be consistent with farming on the adjacent properties. So whatever conflicts..."

Lyle Wells, "Is that mandatory?"

Councilman Pike, "Both because of the farmers' bill of rights."

Lyle Wells, "There's a softball field next to a horse farm. That's my contention."

Councilman Pike, "Well, you're throwing me a hot potato. The guidelines that they would be under is one of those things that hasn't been worked out. The buffer zone is just basically a good idea (I think) that has to be flushed out. The good idea

COUNCILMAN PIKE, Continued

being is to create just some little transitional area between an active farm lot and a farm neighborhood zone, cluster development. The last thing I'd say about that is the whole idea that the people who buy into that development are going to want to live next to a farm because they're going to know what kind of area they're getting into and they're going to know that they're not going to prevent the farming from doing farm activities. And that's what the bill of rights is all about."

Lyle Wells, "Thank you."

Supervisor Janoski, "Thank you, Lyle. Yes, Mary Beth."

Mary Beth Andresen, "I just have two questions. One, I sent a letter to Rob Pike (I hope you received it this week) with regard to whether the animals aforementioned in this hearing and this proposal, were the only type of livestock that would be permitted usage on this farmland proposal. That's number one. There is quite a lot of livestock that I think were deleted. Now whether that was purposely done by error or possibly because you didn't have somebody from the livestock community on the Board."

Councilman Pike, "The answer to that is that that language was borrowed out of an ordinance in a part of Oregon I believe. And I guess in the part of Oregon they don't have livestock. The idea here is, generally speaking, to preserve agricultural. I have every reason to believe that we're generally supportive of it. You will find that there may be some areas of agricultural activity that people find objectionable. I don't know that this is one of them. I certainly don't think it is because I like farmers to do farm things on farms. And if that's a farming thing, fine. There is a classic zoning case that John probably knows about, about what happened with Sun City headed out towards a cattle ranch and moved closer and closer to it until a point that the people in Sun City were down wind of a cattle ranch and they couldn't sell the units. And that's a real issue. At what do active agricultural activities really start effecting neighbors a half of mile away. And that and some other farm practices are issues that really are the real tough questions that we've got to decide in this process. What do we do with proper protection devices like propane guns. Are we going to protect them. That would show a real commitment to the farm community. It's also going to be a major nuisance to people who are near by it. Those are the sort of really tough issues that we have to decide as we go through this."

Mary Beth Andresen, "But that will come up later at the public hearing?"

Councilman Pike, "Absolutely."

Mary Beth Andresen, "That's what you're looking for. You are looking for input to give you the wordage or what have you at the public hearing from members of that type of community."

Councilman Pike, "Exactly."

Mary Beth Andresen, "That's number one. And number two; what happens to the little person? And we've heard that a lot of this land is very very lovely to look at in these large open tracts. We also do know that quite a lot of them are in smaller tracts already. There's areas of 10 and 15 acres and what have you. What happens to the little guy who has got maybe 7 acres, is doing a nice little agricultural business and now he's going to be shoved at a one-acre area situation. Is he going to have to pick up a tax burden higher or greater than that of people in large areas? Even though he's maintaining an agricultural type thing and not developing that. Is he going to be penalized monetarily? Or keeping that land open, not increasing possibly more people on the need for schools or what have you. Is he going to be having to pay more taxes? Is there going to be another adjustment rate because he's in the one-acre zone as opposed to the guy that's in the two-acre zone as opposed to the guy even if he's doing an agricultural thing?"

Councilman Pike, "It is my understanding that there would be no difference in the per acre appraised value of farmland depending on what zone you're in. We're basically under state guidelines. And there is a very very good chance that the taxes on farmland on per acre agricultural value of farmland will go down in this year. Secondly, the fact that when you transfer development rights off a property, that those development rights become now taxable property where they aren't when they are attached to the property. It should reduce the burden on all of the guys who are in farming because now there's new taxpayers paying taxes. For both of those reasons, I think you'd find a good impact on the tax cost of running a farm for large and small."

Mary Beth Andresen, "Alright. But say you're not actively running a farm. Say you're running a little agricultural thing and you've got 7 or 8 acres and you don't really fall into any of these things. Where are you going to be at?"

Councilman Prusinowski, "Well, first of all where you're going to be at is that one of the things...."

Mary Beth Andresen, "Do I run down and quick chop it up in little pieces?"

Councilman Prusinowski, "Well, I'm going to give you one of the examples. That in this legislation, when Rob and I got together, we put in there that agricultural is going to be defined by state law that currently is in existence right now. And under the Suffolk County Farmland Preservation Program uses that, the New York State Ag. and Markets law. In that law it clearly defines what is agricultural. And I believe it's one of the guidelines they use in defining agricultural as a relation to go down and get your tax break at the assessors office for the ag. and markets district. As far as people being out of the....."

TAPE ENDED

COUNCILMAN PRUSINOWSKI, Continued

...what can I tell you. If you're not in the 10-acre or the 2-acre, you're in the one acre, you're not going to be penalized because 99% of the people who are in agricultural production today do get the tax break down at the assessors office. You know, because you can go down there today and get it. Even if you have business A property, you can go down there and get the tax break. As long as you meet the criteria set by the state."

Mary Beth Andresen, "Ok. Thank you."

Supervisor Janoski, "Thank you, Mary Beth. Is there any-one else present? Yes sir."

Henry Silverman, "The Planning Board meets every first and third Thursday. And this development with the moratorium, they're going to be awfully unbusy and I'd hate to see our tax dollars being spent while they have nothing to do. Would it be possible, in the areas on the map that aren't in the study have nothing to do with farming, if you could lift the moratorium on that area? Would that be possible?"

Councilman Prusinowski, "I don't think that's on the agenda for tonight."

Henry Silverman, "Well, I'm trying to relate it to the farm. You passed a moratorium. The moratorium was passed to preserve farmland."

Councilman Prusinowski, "No. The moratorium was not passed to preserve farmland. The moratorium was passed to allow the Town Board and the Planning Board a time to reassess its position on the overall planning of the Town of Riverhead. There's two questions here. It's the same thing I heard for seven years on the County program. There's a difference between saving the farmer and saving the land. Now, that's not the reason why the moratorium was passed. So let's continue on. I don't want to.... There's enough people in the Town of Riverhead that's mislead now by an erroneous statements enough people including a lot of people that I know that I thought were very knowledgeable and they are very confused. That is not the reason why we have a moratorium."

Henry Silverman, "So it has nothing to do...."

Councilman Prusinowski, "This is a planning proposal. We also have a study that's going on in the southwest corridor of the town. This happens to encompass about 80% of the town. And we have the entire Manorville area that we passed a moratorium similiar to that. The purpose was to give the Planning Board, the Zoning Board, the CAC Board, all the tri-boards that we have and the Town Board and the public, a chance (as a town) to make choices for the future. Because really personally, I'd like to have this thing decided like anybody else, as soon as possible and I want the debate ended. Because quite honestly, everybody is going around. You've got one group coming here to preserve the farm. Another one says; pave over Riverhead. And quite honestly, I think a lot of people are confused

COUNCILMAN PRUSINOWSKI, Continued

and it effects everybody's livelihood. So that's not the reason we're doing this. What we're trying to do is plan the town for the future. And it's not an easy process and we want the input. And if it's great the way it is, then we're going to abandon all these plans and say; it's fine the way it is, let's go on. But let's don't hear all this rheteric because I think there's a little too much rheteric and I just don't want that to be said."

Henry Silverman, "Ok. And just one other question. If you do own land in the resort development district, can you sell the development rights? Excuse me. Can you sell the TDR's. I realize it's a receiving area but can you sell them?"

Councilman Pike, "You can't transfer them out of the property. If you were to buy some and not be able to use them on your property, you, would like any other independent person, be able to again sell them. But you can't transfer them out of your property. No."

Henry Silverman, "Well, what happens to the farmers north of Sound Avenue that want to farm?"

Councilman Pike, "They continue to farm as long as they can."

Henry Silverman, "What about selling off their TDR's?"

Councilman Pike, "They have the right to develop. And if the time comes for them to sell the farm, they're going to have a real deal on their hands. Because the development potential of that parcel, will be relatively high."

Councilman Prusinowski, "Henry, using the logic that I've heard tonight, I don't know if it's the right logic. But if I'm in a receiving area and my property is worth even more money, I should be able to go to the bank and even borrow more money. Even though I'm a farmer and it's lost money for nine years and I probably shouldn't be loaned any more money, they'll probably give me the money anyhow and then foreclose on my and sell off the property to some kid from Brooklyn who is going to come in the town and build expensive condos and that's a real situation. Fortunately I've been in too many closings with the farm program where the farm families really got screwed. Ok. That's not so much their fault as poor planning on the financial institution. But following your scenerio, if you're on the north side and if the market develops the way it's proposed to develop, it should be worth more money and you should be able to have the equity and land to continue farming. That's what is all about. Can you pay your bills? Can you borrow the money because you have to plant in the Spring and you can't sell your products until July and August? And it's the only business I know in the world and I'm glad we're out of it. At least when I buy a car at Garsten Motors, Mr. Garsten orders the car. I know basically, in six months, I'm going to sell the car at a price at least what I paid for it which in farming that doesn't always happen."

Henry Silverman, "Thank you."

Supervisor Janoski, "Is there anyone else? Betty."

Betty Brown, "I just had two questions. In these receiving areas, I was wondering if we're presuming that these lands are for sale and are available for sale. How does it effect the program if (perhaps) there are no receiving areas or land to sell?"

Councilman Prusinowski, "If they're for sale. That's the thing about being in a free market. It's the same thing with the farm program. We offer the money from the farm program to all property owners. Not just farmers. And it's a volunteer program. And if you really don't want to get into the program, you won't. And that's one of the things we can't answer. Hopefully, there will be enough for sale become of the way the turnover is going but there's no answer. That's up to the free marker. It's the same thing with the Suffolk County Program now. There is no guarantee. You can't go up to farmer X and say; we want to buy your 500 acres. Unless a governmental agency wants to step in and condemn, that's the only thing that I know and you have to have a public purpose to do that."

Betty Brown, "Then perhaps, this excess of the plan would be stalled until there were lands available in the receiving areas."

Councilman Pike, "It's also true of the sellers. We're not expecting as soon as this program goes in, everybody who owns farmland in the sending area, is going to go please take it. And everybody in the receiving area is going to go; I want it. We expect a natural progression of development here to take place. I don't know that we're going to have an imbalance but we very carefully tried to prevent an imbalance that would hurt the farmer by making sure that there is twice as much receiving area as there is sending. And if that doesn't make up for any imperfections in the market, I'd like to hear the theory that says that won't work. We're trying to make sure that there will always be demand for a farmer who wants to sell or a farmland owner who wants to sell his development rights. And I think if you keep that principal in mind, that they'll be twice as much receiving as there is sending, you'll see that it will work. And that's based on experience. In fact, in the single most successful program for the saving farmland, with TDR's is Montgomery County which has saved over three thousand acres. Has another three thousand in the pipeline, possibly four within the next three years. They basically have a rule of thumb that you need 1.5 times the receiving potential and this is just based on their experience. We've taken that rule of thumb and made it part of the law and made it more stringent. So hopefully, we will drive the demand for development rights up and the price for development rights up at the same time. At least we'll make sure that there's enough demand for those that want to sell."

Betty Brown, "Ok. And my second question was, it seems to me a lot of people have asked me about the quality of life and the character of the neighborhood that we will now see on Sound Avenue. And I thought that perhaps, someone might describe that. Part two was; and will that character of life drive that people who have their homes on farms to sell the land and move on?"

Councilman Prusinowski, "Well, that's a policy question. I guess that will be addressed in the process. That's the crux of what we're doing here. Is that what we want for the Town of Riverhead? You have to have a plan. You don't have to have any plan, by the way. We didn't have zoning until 1961. But that is the vocal issue here. If the people get up here in a couple of months and say, that's not the way we want to see the town developed and what is the tradeoff. Does the good outweigh the bad. It is worse to do it this way than that way. That's the choices that we have to make. We don't have those answers. That is something that will have to be... This is a guideline and framework for the future, And as we go through the process, as the environmental process is done, as we do some of the questions that we're asked tonight, that's really going to come down to a policy question of the Town Board with the input of the public. Is this what we want. And that's what we are trying to find. And what are the tradeoffs, what are the benefits. Is it good to preserve all this open space in the center of the town and get the high yield tax base on the Sound so we can pay our bills and have the school district send the kids to school. Is that what we want. Or do we want to continue the way it's going now. These are some of the things that we have to decide to do and I think we should do it calmly and unemotionally. Because what we do today is going to effect what the town will look like in 20 or 30 years from now. And I think that's important."

Councilman Pike, "The other quality of life question that the plan brushes over but is still open to a great deal of improvement; is the historic corridor idea for Sound Avenue. If you'll look at the map, you'll see that on both the north and south side of Sound Avenue for its entire length, you have a thousand feet on either side of Sound Avenue proposed for historic corridor. You'll also notice that at its very eastern most end, it bulges around Hallockville which is the premiere historic site of the Town of Riverhead. Legislation for that historic corridor has not yet been drafted because we wanted to see whether people were seriously interested in protecting the historic corridor. We could do any number of things. One; on large lots, drive the development at least a thousand feet north of Sound Avenue so that it would be way off in the distance and do planted buffering. For example, the one project that is approved that is similiar in nature to TDR; Entenmann has trees along Sound Avenue. So you won't even see the buildings. You'll see an entrance and a long road going into it and that will be basically what you see. The historic corridor protection saving a tree-lined Sound Avenue, having perhaps some historic architectural control, blowing up my house. All of these things are possible improvements to Sound Avenue. And I would suggest that, again, as we get to the point where we're ready to go through the formal process, that those kinds of ideas could be flushed out and incorporated in it. I would strongly support that we do that historic corridor type preservation for historic Sound Avenue."

Betty Brown, "Thank you."

Councilman Prusinowski, "Ok. Is there anyone else wishing to ask any type of questions about this proposal? Yes."

Albin Zaweski, "When did the moratorium go into effect?"

Councilman Prusinowski, "The moratorium went into effect, I believe, two weeks ago on a Friday at 4:30."

Albin Zaweski, "And there was no public hearing or anything about it?"

Councilman Prusinowski, "We did not have a public hearing on that. That's correct."

Albin Zaweski, "And the people who knew about it got the plans in. And the people who didn't know about it, they didn't."

Councilman Prusinowski, "No. I don't think that was the case. The original.... The way I got it because I was out of town for several days.... What I understood was that the original resolution was to not except any, a moratorium not to except any more down zoning applications. And that was an out shoot of a public hearing that was held here at the Town Board, another application. And at that special meeting, it was decided that a general town wide moratorium would be proper in order to get this planning process in tact so that we would not... I think the feeling was that the Town Board needed time to decide what it wanted to do with all these plans, especially with the southwest corridor and the fact that this program took 80%. And it was not a question of really nobody knew in advance or anything like that and they got all their things in. We had the meeting on Monday and we made it retroactive to the Friday at 4:30."

Albin Zaweski, "Alright. And I'm to understand that this moratorium is for..."

Councilman Prusinowski, "For new applications for major subdivisions for over five lots or more, four lots or more or five or more. It does not effect minor subdivisions and down zoning applications."

Albin Zaweski, "And the time limit, do you have any idea?"

Councilman Prusinowski, "I believe it's November 2nd or sooner. As soon as we can get this stuff done. Yes. Or sooner. Is there anyone else wishing to address the Board or ask any question of this proposal? Yes. I was waiting."

Mrs. McKasity, "Mr. Scheiner, since you're the expert on this proposal, can you tell me in specifics, what kind of housing can be built in a TDR zone? I mean in a north transfer zone?"

Robert Scheiner, "Well, there are a lot of different types of developments, Mrs. McKasity. It could be zero lot line development. It could be patio homes."

Mrs. McKasity, "Excuse me. What is zero lot line?"

Robert Scheiner, "Zero lot line is small lots where the housing is single family housing unit is shifted to one side of the lot and actually goes on one side lot. Thus, if every house is juggled over to the side yard of the other lot, it appears that they both have side yards but in fact, you've decreased the size of the unit. So zero lot line housing can be built. Condominiums, multi-family housing could be built. A grid single family subdivision could be built."

Mrs. McKasity, "That can be built."

Robert Scheiner, "Yes. Could be built. Clustered single family homes. Really any kind of development. There is no restriction except for the permission to go up to four units per the acre. Obviously, that four units to the acre and the costs associated with the development of that site, has a great deal to do whether or not the project is a go or a no go. Smaller parcels of property, even though Allen Smith said before that there are... He asked how many 100 acre farms there are north of Sound Avenue and I said five. It is correct. There are many smaller farms. That does not behoove anyone from buying the smaller farms and assembling them for a larger subdivision. I can't look at a crystal ball and say what's going to happen. There's no question about that. But realistically and financially, developers could only build four units to the acre and then you have to go with the Suffolk County Health Department Code on building a sewage treatment plant. When you're talking about a sewage treatment plant, then you have to back down and find out really how many units you need to support that facility. There's a lot of different alternatives here. I mean, I don't know if that answers your question."

Mrs. McKasity, "Yes you have. The other point that I would like the town to consider is; if there are an enormous amount of condominium type units built in this receiving zone (shall we say) and for some reason they are not occupied by the owner of the building. How is the town going to make sure (let's say) that these condominium style housing developments not come into absentee landlord, low income things? I'm just saying this is a concern. Right or wrong, it's a concern. The other thing is this. I don't know if I would like to be dictated to live in a condominium style house. That's another thing that's bothering me."

Councilman Prusinowski, "That's a personal choice in the market. And as far as the low income housing, it's been our experience since I've been on the Town Board, that there is a certain cost involved that makes it profitable for them to do that. Ok. I kind of doubt, that unless (and this is a scenerio and I'll give you the worse case scenerio) somebody had a piece of property and it's lost in foreclosure and somebody buys it at an auction and just pays off the mortgage and rents the units out to Social Services. That is a remote possibility. But in the old days, not the old days. Several years ago, people would go down to First Street or Second Street and buy houses for 29 thousand dollars, put 1 thousand dollars down and then you know what happens. I would tend that the economics would make that impractical. That's my experience seeing that. Unless a foreclosure thing comes through and somebody picks it up at a bargain. I don't know."

Mrs. McKasity, "How has Mr. Scheiner taken into consideration any planning for the people who do not live in the sending zones, to use the water and the Sound that they might not have access to?"

Robert Scheiner, "I do believe that we addressed the idea of increased access for the residents of the Town of Riverhead through further, where developers would set aside property for accessibility to the Sound. Also, we are recommending certain open space zones or recreational open space zones which is the light green area, that will designate... Already it is presently parkland or camps. I'm not going to mislead you. It's not open space that the town can acquire. What it does is that it designates for once and for all, and sets up a zoning category saying that that will be maintained in an open space. And we certainly would encourage the town to acquire additional pieces because certainly, that leads to benefits of the general public."

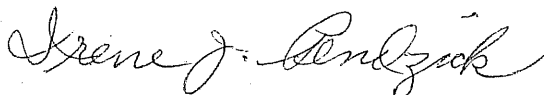
Mrs. McKasity, "Thank you very much."

Councilman Pike, "Mrs. McKasity, one of the things you said just brings up a subject which I think is relevant. And that is; whether you'd like to live in condos themselves. And there is a confusion that always comes up because condos aren't really a form of architecture. It's a legal form of ownership. And they have some disadvantages, well at least to my thinking, because in this town you can get more density if you built condos. But in fact, in this area, you would have more control over the architecture and more control over the land if it were done in that legal form of ownership. I mean, a guy who wanted to develop using condo form of ownership, could build individual houses if he chose to. And we would have a little bit more influence. If you go to subdivision and allow single family residential housing, a guy could build an igloo if he met the building code subject to no architectural review in this town whatsoever. And if it is the architecture, the style of the building, that we're allowing in there, we have more influence, more ability to make those as good as they possibly could be if they go in condo form of ownership. Now, I don't think we should give the kind of bonus, density bonuses that we give. But if you get rid of that and you're comparing an individual lot with a condo unit, the condo unit is going to be more expensive. They tend to be a little bit more architecturally significant and we clearly have more control over making sure that one; they are attractive units and two; less likely to fall into hands that would cause problems for the natives."

Supervisor Janoski, "Are there any further questions? Ok. That being the case, I want to thank you for attending this meeting this evening. The process, as I've said, is a long one and we will be seeking your input at public hearings, suggestions, etc. The job of chairing one of these meetings is not an enviable one and I hope that many of your questions have been answered this evening. Adjourned."

There being no further business on motion or vote, the meeting adjourned at 9:57 p.m.

IJP:nm


Irene J. Pendzick
Town Clerk